

R. J. REYNOLDS

Tobacco Company

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Mr. John Olenick

SUBJECT: Articles for The Merchandiser

Dear John:

Attached find articles on several accomplishments from the Buffalo Region, which I would like to see published in The Merchandiser.

Sincerely,

R. C. Farmer
RCF:am

Attachments

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BUFFALO DIVISION:

The Buffalo division recently rallied around ASR's Davignon, Jensen, Levenstein, Morris and Prior to work a special Holiday blitz of the 30 Indian outlets in the Division.

After the snow cleared, they had sold over 700 cases of RJR Full Flavor and Savings brands. This effort not only continued the Buffalo dominance of these outlets, but allowed RJR exclusive promotion over the busy Holiday Season.

CLEVELAND CHAIN DIVISION:

Recently Ihor Miskewycz, SAM in the Cleveland Chain Division, took over the Free Enterprises Chain of 7 Convenience Service Stations, averaging 200 cartons per station per week, and a leader in the Convenience store business in Cleveland.

Up until this point, the chain had been 100% PM and Ihor sold RJR decals and our base program along with Y signs. He introduced the Monarch line and signed the chain up for all Full Flavor promotions in 1994. We will also use our Co-marketing Accrual Program to develop chain specific programs. Ihor truly demonstrated why RJR has over a 38 share in the Cleveland market.

SYRACUSE CHAIN DIVISION:

Chain Account Manager, B. A. Cook and Special Account Managers, K. L. Myers and R. M. Duszynski, have successfully outsold the competition in a chase for additional Private Label business. R. M. Duszynski sold Derigo Sales, a Private Label named Quality Smokes. Cook and Myers sold Forsyth brands to Sugarcreek Stores (102 stores); Nice N Easy Grocery Shoppes (80 stores); and Kinney Drug Stores (37 stores). The presentations were coordinated with J. M. Piscitelli. Using a brainstorming idea that came out of conversations with Buffalo Region Manager R. C. Farmer, the Sugarcreek Stores and Nice N Easy Grocery Shoppes were convinced by Cook and Myers to cooperative introduce a new Private Label named Tempo throughout Upstate New York in an effort to create a big brand image. Cook and Myers also teamed up to sell Beacon to Kinney Drug Stores. The sale of these Private Labels, coupled with the disappearance of unnecessary competitive brands, should ensure a modest increase of 80 cases per week, or 4000 cases per year.

ROCHESTER DIVISION

District Rep, Bob Laboda proved that contract dollars do not necessary dictate who gets the volume. Paying \$620.00 less per month in contractual monies in Clyde Bargain Center, which sells 725 cartons per week, RJR's share of market is 66%. This account sells 350 cartons of Monarch a week and is part of a three store chain.

Bob says there is no sense paying for full price merchandising when it is a savings outlet! (Photo # 2)

Just down the street at Wayne Drug, Bob has over 35% of the total cigarette business and pays no contractual monies while competition is paying \$880.00 per month.

Bob makes up for his limited contractual monies with his winning personality and services. Our 1.4 Billion objective will be obtained in the Rochester Division! (Photo # 1)

Bob also utilized our component contract to gain presence in franchise 7-11 locations. He utilized the 7/11 PCD and placed a System III Savings/Promotional unit on the back bar. This program has been very successful and inexpensive for RJR since the National 7-11 program did not work out due to theft. Laboda has placed this program in 5 stores in his assignment. (Photo # 3)

ROCHESTER DIVISION:

District Rep Anthony Zecca sold and placed 26 Enhanced signs in Convenience Stores in his assignment. Zecca made sign mandatory for Base or component contract, utilizing sign requirement to qualify for our new Co-Marketing Promotion Accrual Program. Zecca levered our Accrual Program to place enhanced signage in "C" stores with our Component contracts at no additional contractual cost to RJR. All sign placements were determined by Zecca and all shots are better than PM's overhead location. Once again, an example of RJR getting more bang for their buck than P.M.

(Photos #s 5 and 6)

Anthony also utilized RJR's cigarette outlet contract at Italian Fine Foods, to maximize volume and share in this account. The account does 2,000 cartons per week of which 50% is now RJR business. Anthony closed out PM who tried to use Retail Masters to eliminate competition in the call. Zecca leveraged RJR brands, promotion and his rapport, to convince the Retailer than eliminating RJR from their store would hurt their business and only benefit Philip Morris. Needless to say, the cowboy does not ride in this account!

(Photo # 7)

ROCHESTER DIVISION:

Account Rep Bob Skelton found that the "early bird truly does get the worm". Bob had experienced some frustration in that the Order Clerk for a large supermarket chain store worked the night shift and he could never discuss ordering and stocking with her. Bob decided to surprise her one morning at 6 a.m. and she informed him he was the only rep she had ever seen! Taking advantage of this, Bob has established a great relationship and the Order Clerk now takes pride in ensuring RJR package and carton fixtures are completely stocked and never allows competitive advertising on the fixtures.

This store has gone from a major problem to a show place, thanks to Bob's extra efforts.
(Photo # 4)